

# Committee on Ways and Means

## United States-Oman Free Trade Agreement

### ***U.S. – Oman FTA Guarantees Our Right to Restrict Access to U.S. Ports***

- Critics of the U.S. – Oman Free Trade Agreement (FTA) have manufactured an issue by claiming that the agreement gives foreign service suppliers unprecedented access to U.S. ports and thereby endangers U.S. security. This is nothing more than a red herring.
- The agreement does not allow foreign suppliers to control, manage, or operate any U.S. port. This function remains the responsibility of U.S. port authorities.
- The agreement, like our previous FTAs, simply treats Omani landside service suppliers and investors no less favorably than our own landside service suppliers and investors.
- Such service suppliers, however, are still subject to a rigorous security review because the agreement does not circumvent the Exon-Florio CFIUS (Committee on Foreign Investment in the United States) process, which authorizes the President to block proposed foreign investment in the United States that threatens U.S. national security. If the President were to block a transaction on these grounds, it would be consistent with the FTA.
- Furthermore, national security is not an issue under the FTA because it contains an explicit and self-defining exception under Article 21.2 allowing a country to protect its essential security interests.
- The non-partisan, objective Congressional Research Service (CRS) found that assertions that the FTA grants a new right to Omani firms to perform port services “misleading,” stated that there is “no provision that would amend, alter, or adjust [the CFIUS] process or its requirements in any way,” and debunked other claims that the FTA would weaken national security.
- In a second paper, CRS flatly rejected claims made in a partisan, self-serving Democratic paper claiming that trade dispute panels have precedents for reviewing national security issues. CRS found that “history and precedent appear to indicate the opposite.” In short, national security issues have never been subjected to review by trade panels. CRS also found that we appear to be “on solid legal grounds” for asserting the panel “does not have legal authority” and that our action is “permitted and justifiable.”
- **Overall, this agreement not only preserves our the right to review foreign investment transactions to ensure the national security, but it also expressly permits the United States to block transactions that do not meet our own standard of review.**
- **In fact, the bipartisan 9/11 Commission cites our acting to pass Middle Eastern FTA’s as vital to protecting our national security.**